



FACT SHEET
Kinder Morgan Altamont Rule Change Request
April 2016

Rule Change Request

- Kinder Morgan submitted a petition to change Utah Administrative Code R.649-3-32
- The changes requested include:
 - Removing the requirement that natural gas producers and gatherers report flaring events that meet the criteria for Minor Undesirable Events as defined by the Division of Oil Gas & Mining (DOGM)
 - Raising the reporting threshold for what DOGM defines as Major Undesirable Events from 500 mcf to 3,000 mcf
- The rule change request would strengthen Utah's regulatory environment because:
 - Reporting thresholds for Major Undesirable Events would be raised to levels similar to federal standards and on par with requirements in other oil and gas producing states
 - Current reporting thresholds are causing an undue administrative burden to the DOGM staff and on the oil and gas industry in Utah
 - For example, in 2015 Kinder Morgan reported 143 flaring events to DOGM. Under the rule change requested, that number would have been lowered to 11
- Increasing the reporting limit for Major Undesirable Events will not have an impact on environmental quality or public health:
 - All undesirable events except flaring would continue to be reported to DOGM although the designation of some events would change from major to minor, i.e., events resulting in a gas loss between 500 mcf and 3,000 mcf would be reported as minor events after the proposed change
 - Kinder Morgan Altamont is permitted by the Utah Department of Environmental Quality (UDEQ) to flare at volumes that currently exceed DOGM's reporting requirements
 - Flaring significantly reduces methane and Volatile Organic Compound emissions, resulting in lesser negative impact to the environment than a simple release of natural gas into the atmosphere
- Kinder Morgan is committed to working with DOGM to arrive at a final rule change as it considers our request

About the Altamont Midstream System:

- Gathers casinghead gas from wells in the Altamont, Bluebell, Blacktail Ridge and Central Basin oil fields of the Uintah Basin in Duchesne and Uintah counties of northeast Utah
- Consists of over 600 miles of low-pressure gas gathering pipelines, 40K HP of compression
- 60 million cubic feet per day natural gas liquids recovery plant (currently being expanded to 80 million cubic feet per day)
- 5,600 barrels per day fractionator processing NGLs
- Upstream customers include: EP Energy, Newfield, Crescent Point, Linn and Bill Barrett
- Downstream customers include: Chevron, Big West, Holly Frontier, Tesoro
- Local utility customers include: Questar Gas

MAP OF ALTAMONT MIDSTREAM SYSTEM

